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C O N F I D E N T I A L SECTION 01 OF 06 NEW DELHI 001854

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TAGS: [PGOV](#) [ELAB](#) [PREL](#) [PINR](#) [IN](#)

SUBJECT: INDIA'S COMMUNISTS - CONTENT TO SUPPORT THE
GOVERNMENT FOR NOW - BUT NOT OVER THE LONG-TERM

REF: A. NEW DELHI 1710

[B](#). NEW DELHI 1519

[C](#). NEW DELHI 1274

[D](#). CALCUTTA 97

[E](#). CALCUTTA 68

Classified By: DCM Robert O. Blake, Jr. for Reasons 1.4 (B, D)

[1](#). (C) Summary: The strong performance of the BJP following recent State Assembly elections has convinced India's mainstream Communists to downplay their differences with the ruling United Progressive Alliance (UPA) and cooperate for the time being to meet the "rightist" threat. The Communists view Congress as "enemy number two," however, and their long-term strategy is to form a "third front" government that excludes Congress. As long as the Left Front (LF) parties remain with the UPA they will scale down their economic demands to "welfare capitalism" based on poverty alleviation and social programs. Over the long term, however, the LF would like to destroy the Naxalite and Maoist parties and absorb their followers into a "united front" committed to parliamentary democracy and opposed to "neo-liberal" development policies propounded by the US, World Bank and IMF. India's Communist parties are committed, cadre-based, and have never been stronger in Parliament, in the states they rule, and in popularity. Long confined to West Bengal, Kerala, and Tripura, they could begin to "break out" in the years ahead, and expand into other states such as Bihar, and Jharkhand, where they could provide an alternative to corrupt caste-based parties. Indian Communists increasingly see the electoral success of Communist/Socialist parties in Latin America as the trend for the future, rather than the violent Naxalites. End Summary.

The Left in a Nutshell

[2](#). (U) The Indian Communist movement spans an ideological spectrum from the far-left Naxalites to the relatively moderate Communist Party of India (CPI). The Naxalites are a group of disparate Maoist parties which advocate violent revolution (Ref C). The largest Naxalite party is the Communist Party of India (Maoist). Slightly to their right is a group of small Maoist parties which advocate the same radical goals but have eschewed violence in favor of parliamentary democracy. One of these, the Communist Party of India (Marxist-Leninist) won seven seats in Bihar's recent Assembly Election. The Communist Party of India (Marxist) or CPI(M) is India's largest and most powerful Communist group. It advocated a pro-China policy during the Sino-Soviet split, but now rejects the Chinese model. Having ruled West Bengal for 17 years, it has revised its Marxist tenets and become more pragmatic. The CPI, founded in 1925, is India's first Communist Party and all other Communist groups trace their origin to it. Slavishly devoted to the Soviet Union, the CPI has lost considerable power and popularity to the CPI(M) since the end of the Cold War. In February, the CPI(M) rebuffed a CPI merger proposal.

[3](#). (U) The CPI and CPI(M) and two non-Communist parties, the Forward Bloc (FB) and the Revolutionary Socialist Party (RSP) constitute the Left Front (LF), which supports the United Progressive Alliance (UPA) government from outside. Although largely confined to their "red forts" of West Bengal, Kerala, and Tripura, these four parties had their best electoral performance ever in the 2004 Parliamentary Elections. The LF currently has 59 MPs, (CPI(M) 43, CPI 10, FB 3, RSP 3). The LF relies on several prominent spokesmen in New Delhi to articulate its positions and handle day to day negotiations with the UPA. These include: CPM(M) General Secretary Harkishen Singh Surjeet, CPI(M) Politburo members Prakash Karat and Sitaram Yechuri, CPI Secretariat Member D. Raja, and CPI General Secretary A.B. Bardhan.

Basic Ideology

[4](#). (U) Like Communist Parties worldwide, the Indian Communist Parties engage in constant ideological wrangling, but agree on some basic points.

--There is no role for violence; Communist parties should participate in parliamentary democracy.

--The Naxalites are "adventurists," who should renounce violence and rejoin the fold of mainstream Communist parties.

--Globalization is for the present inevitable and cannot be avoided or stopped, and Foreign Direct Investment (FDI) is essential for India's economic development, but should be restricted and closely monitored.

--Government intervention in the economy is necessary to prevent exploitation of the poor, carry out redistribution of resources, and achieve a measure of poverty alleviation.

--Countries like India should maintain a mixed economy with a vibrant "profit-making" public sector.

--Asset redistribution should be achieved through taxation of the wealthy and government-sponsored social welfare programs for the poor, especially in rural areas.

--The United States, and multilateral financial institutions such as the World Bank and International Monetary Fund cannot dictate India's economic and foreign policies.

--India should renounce nuclear weapons, reduce military spending, accept no military alliances, especially with the US, and normalize relations with Pakistan.

--While India's Communists should maintain cordial relations with other Communist Parties, none should serve as a model for India, which will have to devise a country specific socialist system that reflects its own cultural values.

Relations with Congress

15. (U) Of the four parties in the LF, only the CPI has had cordial relations with Congress. After the 2004 elections, the CPI wanted the LF to join the government, but was rebuffed by its three partners and acquiesced in the interests of "Left Unity." Within the CPI(M) several senior leaders, including Jyoti Basu, were also in favor of joining the UPA. After being overruled in internal party conclaves, Basu and other leaders went along with the majority view as required by "party discipline." Congen Calcutta reports that the LF has repeatedly stated that as a "bourgeois party," Congress does not share the Communists' ideology and values. The LF's long-term goal is to establish a "third front" of secular, socialist parties, that does not include Congress. However, the LF claims to support the UPA to prevent "communist forces" (the BJP) from returning to power, and to ensure that India's economic policies address the needs of the poor. As a condition for its support of the UPA, the LF insisted on a "Common Minimum Program" (CMP), which is aimed at providing "development with a human face," the political slogan of the UPA government.

16. (U) Since the UPA has been in power, the LF has repeatedly accused Congress of failing to implement the CMP and not properly consulting with the LF. Although the LF has a coordination committee which meets regularly with the Congress leadership, it accuses Congress of making important economic decisions without consultation. Since the UPA has been in power the LF and Congress have clashed over a number of issues including:

--privatization of the pension fund for government employees:

--allowing 74 per cent FDI in private sector banks;

--FDI liberalization in civil aviation;

--removal of subsidies on fuel;

--enhanced military ties between India and the US and India and Israel; and

--allowing 74 per cent FDI in the telecom sector.

17. (U) When the UPA was formed in May 2004, the LF committed to support the GOI "from the outside," noting that while it would criticize individual policies, it would not bring down the government. Despite this commitment, there have been several instances when it appeared that the tension between the LF and Congress had reached the boiling point, with Communist leaders stating that they had reached the end of their patience and were putting the UPA on notice that it should not take LF support for granted. Many LF party conferences are scheduled for this spring as follows:

--The Revolutionary Socialist Party National Conference, February 17-20;

--The Communist Party of India National Conference - March 29-April 3;

--The Forward Bloc International Conference - April 4-5; and

--The Communist Party of India (Marxist) Conference - April 6-12.

Party spokesmen have reiterated that they would address the LF/UPA relationship at the conferences and discuss other options, to include withdrawing support from the UPA and the formation of a "third front."

One Tune Before the Elections

18. (C) The state Assembly Elections (Refs A and B) and the announcement of the budget in Parliament have played a key role in the evolution of LF attitudes towards Congress and the UPA. Poloff met with Communist leaders before and after these events and noticed a distinct change in their political line. The pre-election views were fiery and anti-Congress, while post-election statements were decidedly less so.

19. (C) In a February 17 meeting with Poloff, G. Devarajan, the Secretary of the All-India Forward Bloc (FB) maintained that his party's rank-and-file were unhappy with the UPA government and would press for a shift to the left. Devarajan predicted that "bad days are ahead," as the tension between the Left and Congress could grow unmanageable, opening up the possibility of a "third front." He confirmed that since a third front government is the ultimate goal of the LF, a split with the UPA was inevitable, and the only issue is of timing. Devarajan maintained that the LF would not "take the initiative" until the BJP is sufficiently weakened as to no longer pose a threat. The breaking point could be the 2006 elections in West Bengal or even before. He confirmed that the Common Minimum Program (CMP) was the "bare minimum" for Left support of the UPA. Reluctant to accept the presence in India of non-unionized American retail chains, Devarajan confirmed that the LF would confer with Communist Party of the USA (CPUSA) representatives at their conferences, regarding whether chains such as Walmart would be acceptable.

110. (C) Devarajan argued that Congress won "only" 142 seats in the 2004 election, far less than the Congress high point of 1984, when it won 415 seats in a house of 545. In Devarajan's view, this electoral performance was not a mandate for Congress and its "Neo-liberal" policies. Rather, the people of India voted for Congress as the best way to get the communal BJP out of power. Devarajan maintained that what Indians really want is a shift in focus from the urban middle class to the rural masses, and the UPA must provide for the common people or face their wrath at the ballot box. Devarajan conceded that while the LF is opposed to much of neo-liberalism, it has only one MP from the entire Hindi belt, is confined to its "red forts," and does not have the power to stop it. According to Devarajan, the LF can work with PM Manmohan Singh, but is not happy with FinMin Chidambaram, and is pressing for his replacement in the next Cabinet reshuffle.

111. (C) Abani Roy, the Secretary of the Revolutionary Socialist Party (RSP), echoed Devarajan in a February 24 meeting with Poloff. Emphasizing that the LF is "finding it difficult to support this government," even for the sake of Left unity, but did not think that a good opportunity to break with the UPA would emerge until the 2006 elections in West Bengal, where the LF would campaign against Congress. Roy argued that India needed a "third front," that would accurately reflect political opinion and would be good for India, providing the poor with their own voice in the democratic system. Roy dismissed any possibility that "non-Left regional parties" such as the Samajwadi Party (SP) of UP and the Rashtriya Janata Dal (RJD) of Bihar would be asked to join the third front, as "we are only interested in anti-Capitalist forces." According to Roy, the LF is not happy with the UPA, which is not doing enough to alleviate India's pervasive poverty, and provide basic necessities to the poorest of the poor. He argued that since India is an undeveloped country, the GOI must play a strong role in the economy. Roy complained that India's "bad government machinery" soaked up money dedicated to poverty alleviation, while the UPA was curtailed anti-poverty programs.

Another Tune Afterwards

112. (C) In a March 2 meeting with Poloff, CPI Secretary and principal spokesman D. Raja made it clear that circumstances had changed, and the LF was now more amenable to working with Congress. Raja expressed some satisfaction with FinMin Chidambaram's budget presentation to Parliament. While the LF had presented the UPA with a demand for a 50,000 crore rupee (USD 1.15 billion) social spending program, he seemed pleased that 25,000 crore (USD 575 million) had been allocated. He also noted that government subsidies on food, petroleum and fertilizers would continue at the behest of the LF. Raja was adamant that these social programs would never be implemented were it not for the LF.

113. (C) Raja was also pleased with the tax revenue

initiatives contained in the budget, which he characterized as "serious efforts to mobilize resources." He emphasized that the LF believed that India should mobilize its own resources to address poverty and not rely on FDI. For example, he stated, corporate taxation of Indian industrial houses should be increased rather than reduced. He praised the budget provision imposing a 10 rupee (USD .30) tax on withdrawals of rupees 10,000 (USD 230) or more.

14. (C) Characterizing those who supported neo-liberalism as "little more than animals," who don't have a "basic community spirit," Raja maintained that the LF would ensure that this "failed system based on human greed," would not take root in India. Raja maintained that the current UPA government was just an intermediate step for the LF, which wanted to see a third front government take power in India. According to Raja, the UPA would never unify India's "secular democratic parties," and the LF had gained stature from its marriage of convenience with the UPA and felt encouraged.

15. (C) The LF was quick to distance itself from the Congress power grab in Jharkhand and Goa (Refs A and B), with the CPI(M) Politburo dismissing "the hasty manner" with which the Jharkhand governor swore in the Shibu Soren government in Jharkhand as "controversial." In private, however, Raja told Poloff that the LF's first priority was to ensure that the BJP "communalists" do not return to power. According to Raja, the Communists have determined that the Congress missteps have revived the BJP and its NDA alliance, which would now take the offensive. Raja confirmed that the LF would stand with Congress to prevent a BJP return to power and put aside talk of a third front or open confrontation with the UPA until the BJP threat is nullified.

Swing to the Left

16. (U) On January 22, Poloff attended a panel discussion that provided some insight into what direction India's Communist/Left parties are headed. The panel, on the "anti-Imperialist Struggle of the Venezuelan People," was sponsored by the Third World Studies Center, a Delhi group that represents the left wings of India's Communist parties. It included Prakash Karat, the CPI(M) ideologue, marked to assume a leadership role in India's Communist movement in the next several months. The panelists emphasized that the Left has been too accommodating to Congress and should expand its opposition to neo-liberalism beyond rhetoric to organizing.

17. (U) The panelists argued that if India's Communist parties continue to placate Congress, over the long term it will exacerbate India's rich/poor divide and encourage Naxalites to greater violence, resulting in needless bloodshed. They emphasized that mainstream Communists must demonstrate to Naxalites that they are serious about addressing the needs of India's poor. This was endorsed on February 8, by the Karnataka State Committee of the CPI(M), which urged Naxalites to forego violence in favor of peaceful methods to combat social injustice and exploitation. G.C. Bayyareddy, the Secretary of the Committee, said that the best way to combat Naxalism was to distribute land to the landless, give title deeds to tribals, provide fair compensation to families affected by development projects, and protect tribals' social and cultural rights.

18. (U) The panelists contended that rather than the Nepalese Maoists, the Indian Left should adopt as a its model the democratic, non-violent movement of President Hugo Chavez of Venezuela, and other Left parties of Latin America which are scoring electoral gains. They contended that the Left should use some of the same tactics developed by Chavez and other Latin American leaders to prevent the US, the IMF and World Bank from "dominating India." Karat noted that the Left Front pressured the UPA to extend an invitation to Chavez to make a state visit to India in March and would mobilize to give him a "warm welcome," and pressure the GOI to defend Venezuela from "another US-orchestrated coup attempt (Ref E)."

Comment

19. (C) India's Communists have modified their Marxist views since taking power in West Bengal and other states. When governing, they tend to take a pragmatic approach at the regional level that is often belied by some of their rhetoric at public events. As Communists, however, they take a historic view of their role, with tactical and strategic objectives and short-term and long-term strategies. Over the short-term, the LF wants to keep the BJP out of power long enough for the Sangh Parivar's political appeal to fade. If this means that they must work with Congress, they are willing to make the sacrifice. While supporting the UPA, however, the LF wants to keep its distance from Congress economic policies and maintain its credibility by stressing a "welfare capitalism" approach based on poverty alleviation

and social programs.

120. (C) The Communists' willingness to cooperate with Congress depends on large measure on how the Congress leadership packages and presents economic reforms. We expect the LF to support a greater role for the private sector in the food processing, retailing, real estate, and manufacturing sectors if the GOI provides benefits for farmers and low-income consumers. The LF will also likely tolerate partial privatization of public sector units if a significant portion of the proceeds are used to fund social programs, as Congress has promised. The Communists will likely resist Congress' efforts to expand private investment in banking and increase labor market flexibility.

121. (C) When the BJP challenge has been addressed and the "rightist enemies" have faded away, the LF would turn its attention to Congress, "the second enemy." Communist ideologues argue that the BJP is a short-term threat, as "communal politics" has no future in India. Increasingly, they are coming to agree that "neo-liberal" development policies propounded by Congress are a long-term threat that poses a greater danger. To address that threat, the mainstream Communists hope to destroy the Maoist and Naxalite parties (Refs C and D), which they dismiss as violent "adventurists," and convince their less radical followers to join a common "anti-imperialist" front that will be united, democratic, non-violent, and plugged into an international network of friendly parties and governments.

122. (C) Media profiles of India, including those in the US, have stressed that rapid economic growth is lifting many boats, and downplayed popular opposition to economic liberalization. However, the growing power, popularity and political influence of the India's Communists indicate that all will not be smooth sailing. The Indian Left envisions that the "internal contradictions of neo-liberalism" will soon become apparent in India, as they have in Latin America, and the country will then be ready to accept a third front government that does not include Congress. States like Jharkhand and Bihar, where class divisions are acute and growing, provide an opportunity for Communist expansion in the coming years, and the Left's political power is likely to increase along with its seats in Parliament.

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